

(B) the consignor and consignee had the ability to convey to such a purchaser; and

(2) the common carrier issuing the bill becomes obligated directly to the person to whom the bill is negotiated to hold possession of the goods under the terms of the bill the same as if the carrier had issued the bill to that person.

(b) SUPERIORITY OF RIGHTS.—When a negotiable bill of lading is negotiated to a person for value in good faith, that person's right to the goods for which the bill was issued is superior to a seller's lien or to a right to stop the transportation of the goods. This subsection applies whether the negotiation is made before or after the common carrier issuing the bill receives notice of the seller's claim. The carrier may deliver the goods to an unpaid seller only if the bill first is surrendered for cancellation.

(c) MORTGAGEE AND LIEN HOLDER RIGHTS NOT AFFECTED.—Except as provided in subsection (b) of this section, this chapter does not limit a right of a mortgagee or lien holder having a mortgage or lien on goods against a person that purchased for value in good faith from the owner, and got possession of the goods immediately before delivery to the common carrier.

(Pub. L. 103-272, §1(e), July 5, 1994, 108 Stat. 1347.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
80105(a)	49 App.:111.	Aug. 29, 1916, ch. 415, §§31, 39, 40, 39 Stat. 543, 544.
80105(b)	49 App.:119.	
80105(c)	49 App.:120.	

In subsection (a)(1), before subclause (A), the word "duly" is omitted as surplus.

In subsection (b), the words "right . . . is superior" are substituted for "no . . . shall defeat the rights of" for clarity. The words "right to stop the transportation" are substituted for "right of stoppage in transitu" for clarity.

In subsection (c), the word "remedies" is omitted as being included in "right". The words "whose mortgage or lien on goods would be valid, apart from this chapter" are omitted as unnecessary because of the restatement. The words "which are subject to the mortgage or lien" are omitted as unnecessary.

§ 80106. Transfer without negotiation

(a) DELIVERY AND AGREEMENT.—The holder of a bill of lading may transfer the bill without negotiating it by delivery and agreement to transfer title to the bill or to the goods represented by it. Subject to the agreement, the person to whom the bill is transferred has title to the goods against the transferor.

(b) COMPELLING INDORSEMENT.—When a negotiable bill of lading is transferred for value by delivery without being negotiated and indorsement of the transferor is essential for negotiation, the transferee may compel the transferor to indorse the bill unless a contrary intention appears. The negotiation is effective when the indorsement is made.

(c) EFFECT OF NOTIFICATION.—(1) When a transferee notifies the common carrier that a non-negotiable bill of lading has been transferred under subsection (a) of this section, the carrier

is obligated directly to the transferee for any obligations the carrier owed to the transferor immediately before the notification. However, before the carrier is notified, the transferee's title to the goods and right to acquire the obligations of the carrier may be defeated by—

(A) garnishment, attachment, or execution on the goods by a creditor of the transferor; or

(B) notice to the carrier by the transferor or a purchaser from the transferor of a later purchase of the goods from the transferor.

(2) A common carrier has been notified under this subsection only if—

(A) an officer or agent of the carrier, whose actual or apparent authority includes acting on the notification, has been notified; and

(B) the officer or agent has had time, exercising reasonable diligence, to communicate with the agent having possession or control of the goods.

(Pub. L. 103-272, §1(e), July 5, 1994, 108 Stat. 1348.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
80106(a)	49 App.:109 (1st sentence). 49 App.:112 (1st sentence).	Aug. 29, 1916, ch. 415, §§29 (1st sentence), 32, 33, 39 Stat. 543.
80106(b)	49 App.:113.	
80106(c)	49 App.:112 (2d-last sentences).	

In subsection (a), the words "without negotiating it" are added for clarity.

In subsection (b), the text of 49 App.:113 (last sentence) is omitted as unnecessary because of the words "the transferee may compel the transferor".

In subsection (c)(1), before clause (A), the words "also acquires the right to notify" and "by the transferor or transferee of a straight bill" are omitted as unnecessary because of the restatement.

§ 80107. Warranties and liability

(a) GENERAL RULE.—Unless a contrary intention appears, a person negotiating or transferring a bill of lading for value warrants that—

(1) the bill is genuine;

(2) the person has the right to transfer the bill and the title to the goods described in the bill;

(3) the person does not know of a fact that would affect the validity or worth of the bill; and

(4) the goods are merchantable or fit for a particular purpose when merchantability or fitness would have been implied if the agreement of the parties had been to transfer the goods without a bill of lading.

(b) SECURITY FOR DEBT.—A person holding a bill of lading as security for a debt and in good faith demanding or receiving payment of the debt from another person does not warrant by the demand or receipt—

(1) the genuineness of the bill; or

(2) the quantity or quality of the goods described in the bill.

(c) DUPLICATES.—A common carrier issuing a bill of lading, on the face of which is the word "duplicate" or another word indicating that the

bill is not an original bill, is liable the same as a person that represents and warrants that the bill is an accurate copy of an original bill properly issued. The carrier is not otherwise liable under the bill.

(d) **INDORSER LIABILITY.**—Indorsement of a bill of lading does not make the indorser liable for failure of the common carrier or a previous indorser to fulfill its obligations.

(Pub. L. 103-272, §1(e), July 5, 1994, 108 Stat. 1349.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
80107(a)	49 App.:114.	Aug. 29, 1916, ch. 415, §§15, 34-36, 39 Stat. 541, 543.
80107(b)	49 App.:116.	
80107(c)	49 App.:95.	
80107(d)	49 App.:115.	

In subsection (a), before clause (1), the words “by indorsement or delivery” are omitted as surplus. In clause (4), the words “merchantability or fitness” are substituted for “such warranties”, and the words “the goods without a bill of lading” are substituted for “without a bill the goods represented thereby”, for clarity.

In subsection (b), before clause (1), the words “person holding” are substituted for “mortgagee or pledgee or other holder” because they are inclusive. The words “from another person” are substituted for “whether from a party to a draft drawn for such debt or from any other person” to eliminate unnecessary words. The words “does not warrant by the demand or receipt” are substituted for “shall not be deemed by so doing to represent or warrant” for clarity.

In subsection (c), the words “A common carrier issuing . . . is liable” are substituted for “plainly shall impose upon the carrier issuing the same the liability” for clarity and to eliminate unnecessary words. The words “The carrier is not otherwise liable under the bill” are substituted for “but no other liability” for clarity.

In subsection (d), the word “respective” is omitted as unnecessary.

§ 80108. Alterations and additions

An alteration or addition to a bill of lading after its issuance by a common carrier, without authorization from the carrier in writing or noted on the bill, is void. However, the original terms of the bill are enforceable.

(Pub. L. 103-272, §1(e), July 5, 1994, 108 Stat. 1349.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
80108	49 App.:93.	Aug. 29, 1916, ch. 415, §13, 39 Stat. 540.

The word “erasure” is omitted as being included in “alteration”. The words “whatever be the nature and purpose of the change” are omitted as surplus. The word “terms” is substituted for “tenor” for clarity.

§ 80109. Liens under negotiable bills

A common carrier issuing a negotiable bill of lading has a lien on the goods covered by the bill for—

- (1) charges for storage, transportation, and delivery (including demurrage and terminal charges), and expenses necessary to preserve

the goods or incidental to transporting the goods after the date of the bill; and

- (2) other charges for which the bill expressly specifies a lien is claimed to the extent the charges are allowed by law and the agreement between the consignor and carrier.

(Pub. L. 103-272, §1(e), July 5, 1994, 108 Stat. 1349.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
80109	49 App.:105.	Aug. 29, 1916, ch. 415, §25, 39 Stat. 542.

In this section, before clause (1), the word “If” is omitted as surplus. The words “covered by the bill” are substituted for “therein mentioned” for clarity. In clause (1), the words “charges for storage, transportation, and delivery (including demurrage and terminal charges)” are substituted for “all charges on those goods for freight, storage, demurrage and terminal charges . . . and all other charges incurred in transportation and delivery” as being inclusive and to conform to section 7-307 of the Uniform Commercial Code. In clause (2), the words “other charges for which the bill expressly specifies a lien” are substituted for “unless the bill expressly enumerates other charges for which a lien . . . In such case there shall also be a lien for the charges enumerated” for clarity.

§ 80110. Duty to deliver goods

(a) **GENERAL RULES.**—Except to the extent a common carrier establishes an excuse provided by law, the carrier must deliver goods covered by a bill of lading on demand of the consignee named in a nonnegotiable bill or the holder of a negotiable bill for the goods when the consignee or holder—

- (1) offers in good faith to satisfy the lien of the carrier on the goods;
- (2) has possession of the bill and, if a negotiable bill, offers to indorse and give the bill to the carrier; and
- (3) agrees to sign, on delivery of the goods, a receipt for delivery if requested by the carrier.

(b) **PERSONS TO WHOM GOODS MAY BE DELIVERED.**—Subject to section 80111 of this title, a common carrier may deliver the goods covered by a bill of lading to—

- (1) a person entitled to their possession;
- (2) the consignee named in a nonnegotiable bill; or
- (3) a person in possession of a negotiable bill if—

(A) the goods are deliverable to the order of that person; or

(B) the bill has been indorsed to that person or in blank by the consignee or another indorsee.

(c) **COMMON CARRIER CLAIMS OF TITLE AND POSSESSION.**—A claim by a common carrier that the carrier has title to goods or right to their possession is an excuse for nondelivery of the goods only if the title or right is derived from—

- (1) a transfer made by the consignor or consignee after the shipment; or
- (2) the carrier’s lien.

(d) **ADVERSE CLAIMS.**—If a person other than the consignee or the person in possession of a bill of lading claims title to or possession of